

AMENDED IN SENATE JULY 7, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

AMENDED IN ASSEMBLY MARCH 30, 2005

AMENDED IN ASSEMBLY MARCH 10, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

No. 119

**Introduced by Assembly Member ~~Cohn~~ Strickland**  
(Principal coauthor: Senator Scott)

January 13, 2005

---

~~An act to add Section 14043.265 to the Welfare and Institutions Code, relating to Medi-Cal. An act to amend Section 16531.1 of the Government Code, relating to human services, and making an appropriation therefor.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 119, as amended, ~~Cohn~~ Strickland. Medi-Cal: ~~provider enrollment~~. HIV drug treatment: developmental services: financing.

Existing law creates the continuously appropriated Medical Providers Interim Payment Fund, for the purposes of paying Medi-Cal providers, providers of drug treatment services for persons infected with HIV, and providers of services for the developmentally disabled, for services provided on or after July 1, and before September 1, of the fiscal year for which a budget has not yet been enacted or there is a deficiency in the Medi-Cal budget in any fiscal year, and appropriates, for each fiscal year in which these payments are necessary, up to \$1,000,000,000 from the General Fund, in the form of loans, and \$1,000,000,000 from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

*This bill would delete the limitation on the application of the continuously appropriated funds to services provided, would increase, to an amount not to exceed \$2,000,000,000, the annual appropriation from the General Fund and from the Federal Trust Fund to the Medical Providers Interim Payment Fund and would extend the period from September 1 to November 1 for which those payments may be made. By expanding the scope of the application of the continuously appropriated funds, this bill would make an appropriation.*

~~Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and pursuant to which health care services are provided to qualified low-income persons.~~

~~Existing law requires a Medi-Cal provider applicant that is not currently enrolled in the Medi-Cal program, or a provider required to apply for continued enrollment, in certain circumstances, to submit a complete application package for enrollment, continuing enrollment, or enrollment at a new location or a change in location. Applicants or providers that meet certain criteria may be granted preferred provider status for up to 18 months.~~

~~This bill would authorize, on and after July 1, 2006, a provider required to enroll under these provisions to request an expedited review of his or her application by paying a fee in an amount to be determined by the department. The bill would provide for the annual adjustment of the fee amounts, as directed by the Legislature in the annual Budget Act.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 16531.1 of the Government Code is
- 2     amended to read:
- 3     16531.1. (a) Notwithstanding any other provision of law and
- 4     without regard to fiscal year, if the annual State Budget is not
- 5     enacted by June 30 of any fiscal year preceding the fiscal year to
- 6     which the budget would apply or there is a deficiency in the
- 7     Medi-Cal budget during any fiscal year, both of the following
- 8     shall occur:

(1) The Controller shall annually transfer from the General Fund, in the form of one or more loans, an amount not to exceed a cumulative total of ~~one billion dollars (\$1,000,000,000)~~ *two billion dollars (\$2,000,000,000)* in any fiscal year, to the Medical Providers Interim Payment Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the Medical Providers Interim Payment Fund is hereby continuously appropriated *without regard to fiscal years* for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, ~~for services provided~~ on or after July 1 of the fiscal year for which no budget has been enacted and before ~~September 1~~ *November 1* of that year or for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, during the period in which the Medi-Cal program has a deficiency. Payments shall be made pursuant to this subdivision if both of the following conditions have been met:

(A) An invoice has been submitted for the services.  
 (B) Payment for the services is due and payable and the State Department of Health Services determines that payment would be valid.

(2) For any fiscal year to which this subdivision applies, there is hereby appropriated the sum of ~~one billion dollars (\$1,000,000,000)~~ *two billion dollars (\$2,000,000,000)* from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

(b) Upon the enactment of the annual Budget Act or a deficiency bill in any fiscal year to which subdivision (a) applies, the Controller shall transfer all expenditures and unexpended funds in the Medical Providers Interim Payment Fund to the appropriate Budget Act item.

(c) The amount of any loan made pursuant to subdivision (a) and for which moneys were expended from the Medical Providers Interim Payment Fund shall be repaid by debiting the

1 appropriate Budget Act item in accordance with the procedure  
2 prescribed by the Department of Finance.

3 ~~SECTION 1. Section 14043.265 is added to the Welfare and~~  
4 ~~Institutions Code, to read:~~

5 ~~14043.265. (a) On and after July 1, 2006, a provider required~~  
6 ~~by Section 14043.26 to enroll in the Medi-Cal program may~~  
7 ~~request an expedited review of his or her application by paying a~~  
8 ~~fee in an amount to be determined by the department.~~

9 ~~(b) A provider paying a fee pursuant to subdivision (a) shall~~  
10 ~~have his or her application reviewed within a timeframe to be~~  
11 ~~determined by the department, not to exceed \_\_\_\_\_ days from the~~  
12 ~~date of receipt of a completed application with the payment~~  
13 ~~attached and a written request from the provider requesting an~~  
14 ~~expedited \_\_\_\_\_ day review of the application.~~

15 ~~(c) Commencing July 1, 2006, fees provided pursuant to this~~  
16 ~~section shall be adjusted annually, as directed by the Legislature~~  
17 ~~in the annual Budget Act.~~

18 ~~(d) As part of the annual budget process, the department shall~~  
19 ~~prepare a staffing and workload analysis to ensure efficient and~~  
20 ~~effective utilization of fees collected. The analysis shall include~~  
21 ~~all of the following:~~

22 ~~(1) The number of providers requesting an expedited review~~  
23 ~~pursuant to this section as a percentage of the total applications~~  
24 ~~received by provider enrollment.~~

25 ~~(2) The workload standard to process a provider application.~~

26 ~~(3) The amount of revenue collected pursuant to this section.~~

27 ~~(4) The actual cost to process an application and whether the~~  
28 ~~amount of the fee collected is funded through the fee and federal~~  
29 ~~funds matched by the fee.~~